

IN THE MATTER OF INTEREST ARBITRATION

BETWEEN)

Northeast Iowa Community College,)

PUBLIC EMPLOYER,)

AND)

Northeast Iowa Community College)
Higher Education Association,)

EMPLOYEE ORGANIZATION.)

Hugh J. Perry, Arbitrator

Award issued: November 11, 2006

APPEARANCES:

FOR Northeast Iowa CC:
Michael J. Shubatt, Attorney

FOR Northeast Iowa CC Higher Ed. Assn.:
Bev Crumb-Gesme, Uni-Serve Director

BACKGROUND

The Northeast Iowa Community College Higher Education Association represents a bargaining unit comprised of all part time and full time professional employees, including librarians, counselors, teachers, nurses and social workers employed by Northeast Iowa Community College. Northeast Iowa Community College is one of 15 Community Colleges in the state of Iowa. It is located in the northeast corner of the state. It has a student enrollment of 4,811, two campuses, Peosta and Calmar, and 6 other learning centers. There are 93 nine month faculty. The parties have bargained collectively since the mid 1970's. This is their first time to arbitration. The College also bargains with a support unit which has settled its contract (6.01% wage increase, 4.46% total package).

The parties have resolved all issues with the exception of **hours** (work week) and **wages** (the percentage by which existing salaries will be increased for the next contract year) which are the subject of this arbitration. The parties have fashioned an independent impasse procedure which extends until November 30, 2006 the date for completion of this year's bargaining. A hearing was held on October 27, 2006 at the public library in Guttenberg, Iowa. Following the presentation of documentary evidence, oral testimony and argument, the hearing was closed on that date. In making this award, I have considered the provisions of Section 20.22(9) of the PERA but will not set them out here. After consideration of these criteria, an arbitrator is required to select the position of the party on each impasse issue deemed the most reasonable. The parties have agreed that this award will be retroactive to the starting date for this contract which is August 16, 2006. It extends until August 15, 2007.

IMPASSE ISSUES

1 The Impasse Issues before the Arbitrator are: **Wages** (*% of increase*) and **Hours** (*Work Week*)

WAGES

The contract sets forth a hiring guide for these employees which sets forth salary ranges from \$24,388 to \$38,333 (*Doctorate step 20*). The Association contends that the average salary is \$41,300. The College indicates that it is \$42,336. Although not an issue in this bargaining, health insurance has played a significant role in these parties' economic relationship. The college provides self funded fully paid single and family health insurance and dental insurance to these employees. For the 2005-2006 contract and for the 2006-2007 contract, the premiums have stayed constant. Prior to that they were escalating out of control. The Association's willingness to negotiate some changes in deductibles, co-insurance and other features of the insurance program have helped to contain insurance costs. The relationship between rising health insurance costs and wage increases can be seen from past settlements. For 2003-2004 insurance increased by 10.17% for single and 9.89% for family insurance. The Association agreed to a wage increase of 3.5% and a total package of 4.8%. For 2004-2005 the single insurance increased by 9.53% and family insurance by 10.39%. A wage settlement of 3.25% was reached and a total package settlement of 4.60%. For the 2005-2006 contract the insurance was projected to increase by 7.88% for single and 18.97% for family. However, due to a number of changes made in the insurance plans, the premiums actually decreased slightly. A 5% wage increase was agreed upon for 2005-2006 with a 4.97% total package. This year the health insurance premiums will decline slightly.

Proposals of the Parties

The **Association** seeks a 5.4% salary increase for these employees. The Association contends that in years when health insurance costs were escalating, that it was willing to settle for a lower salary increase in order to maintain the insurance benefit. Correspondingly, when insurance costs are not increasing, but actually slightly decreasing, the Association contends that it can reasonably expect that such savings will be passed on in the form of salary increases.

The Association utilized the other Iowa community colleges for the purpose of making salary comparisons. Indian Hills and North Iowa were not included as they do not collectively bargain. The Association's data indicated that the average salary for a 9/10 month contract at NICC, \$41,300, was below the statewide average of \$43,700 and placed its faculty 12^h out of 15 Iowa Community Colleges. When benefits are added in NICC faculty ranks 9th. The Association cited the following settlements for 2006-2007: Iowa Lakes 4.75% salary, 4.75% total package (3rd yr. of 3 yr. agreement), Northwest Iowa 4.65% salary, 5.26% total package, Iowa Central 4.76% salary, 4.39% total package, Iowa Valley 5.19% salary, 5.18% total package, Hawkeye 4.5% total package, Eastern Iowa 5.13% salary, 4.85% total package, Kirkwood 5.19% salary, 5.50% total package, Des Moines Area, 5.25% total package, Western Iowa Tech 5.10% salary, 5.11% total package, Iowa Western 5.63% salary, Southwestern 5.22% salary, 5.99% total package. State average 5.11% salary increase, 5.03% total package. The Association notes that its wage proposal combined with its Work Week proposal will result in a total package of 4.87%, still below the average settlement.

The Association urges that the College is well able to fund its asking here. It points out that the college received an increase of \$551,022 or 7.62% in FY 2007 from State Fund General

4 Appropriations and that the 7.62% increase is the 2nd greatest of the 15 community colleges. The Association notes that the College has numerous revenue sources available to it in addition to state revenue including property taxes, student fees and tuition, other state aid and federal aid. The Association notes that instructional salaries as a percent of total expenditures have declined in recent years, that the college's unrestricted fund balance of \$1,741,256 for FY 2005 is the highest since prior to FY 1990 and that the College's turnover savings realized last year was \$502,961.

The **College** proposes a 5.1% salary increase. Combined with its position on Work Week, this would result in a 4.44% total package. Its data indicated that the average salary for full time 9 month faculty was \$42,336 which placed NICC 9th among the community colleges. Average tenure is 11.13 years for full time faculty. The College presented data indicating that it had little trouble filling vacant positions, that there were some 8.4 applications per open position. The College pointed out that these employees enjoy a very good insurance benefit and that many other community colleges do not pay full family health or dental insurance. The cost to the College is \$1,016.50 per month for employees taking family insurance. The College's settlement data indicated that community college salary settlements this year average 4.82% and that total package settlements average 4.87%. The College noted that these employees received a 5% salary increase last year when the other community colleges settled for an average of 4.29%. The College's costing figures indicated that the difference between the Association wage proposal of 5.4% and its offer of 5.1% amounted to \$22,505 without fringe benefits figured in. The College emphasized that the turnover savings pointed to by the Association is more that offset by the tuition shortfall of \$726,758 for FY 06 due to declining enrollment. While not claiming an inability to fund the Association proposal, the College argues that it has a fiscal responsibility to pay what comparable employees elsewhere are earning. It characterized its wage proposal as fair and greater than average this bargaining year.

WORK WEEK

The current contract uses *Contact Hours* and *Credit Hours* to measure the work week with a threshold of 24 contact hours/week and 31 credit hours/year. Work in excess of these thresholds receives extra pay. A Contact hour is defined by the Iowa Administrative Code for a non-credit course as a minimum of 50 minutes of contact between an instructor and students in a scheduled course offering for which students are registered. Contact hours generally pertain to laboratory and technical classes. The College defines a contact hour as 55 minutes. The contract provides that full-time credentialed instructors shall be assigned no more than 24 contact hours per week of classroom, laboratory, clinical, OJT (counts as ½ contact hour per week per student) averaged over the year. If contact time exceeds 24 hours per week on an average annual basis, an instructor will be compensated for hours in excess of the stated maximum (24 hours) at their hourly rate. The Administrative Code sets forth the minimal requirement for one semester credit hour as 800 minutes of scheduled classroom instruction. More minutes for Credit hours are required for lab work (1600 minutes), clinical practice (2400 minutes) and work experience (3200 minutes). The College currently schedules 16 class periods of 55 minutes each for total 880 minutes per semester. The contract provides that a full time credentialed instructor shall be assigned no more that 30-32 credit hours of teaching load on an annual basis with the College reserving the right to schedule members to 32 credit hours. If the teaching load exceeds 31 credit hours per year, the instructor will be compensated at the greater of his/her hourly rate times student contact hours or \$525 per credit hour. The 31 credit hour threshold was placed in the current contract during bargaining last year. For the

2004-2005 contract and for many preceding contracts, it was 32 hours. The parties have agreed to reduce the contact hour threshold from 24 hours to 23 hours for the 2006-2007 contract. Accordingly, any instructors now exceeding 23 hours of contact hours per week will be paid extra for the additional teaching time at their hourly rate. The cost of this change is approximately \$40,000.00.

Proposals of the Parties

The **Association** proposes that the overload threshold of 31 credit hours be reduced to 30 hours. Instructors exceeding that number will be paid the greater of their hourly rate times the student contact hours or \$525 per credit hour. The Association notes that the College currently schedules 16 periods of 55 minutes each for classroom work for a total of 880 minutes per semester. This amounts to 1 hour and 20 minutes over and above the state minimum of 800 minutes without compensation. Using 55 minute teaching hours rather than 50 minutes equates to 33 credit hours at other colleges when time in the classroom is considered. The Association acknowledges that the College agreed to reduce the credit hour threshold from 32 to 31 hours for the present contract, but indicates that its goal last year was to bring the credit hour threshold for a classroom instructor to 30 hours and that it is endeavoring to accomplish that goal this year.

The Association points to a side agreement entered into last year by the parties. A committee was to be established to look at load issues. However the College never formed such a committee and no meetings were held to discuss these issues. The Association contends that overload is an important issue to its members for a multitude of reasons: It helps faculty to augment their salaries and thus maintain a more permanent body of professionals; it serves as an incentive for full time faculty to take on additional assignments; it helps retain students who prefer access to full time faculty; it encourages faculty to be innovative and develop and teach new course work. The Association argues that its instructors are routinely loaded at 110% of the norm and that they rank 9th to 10th in salary among their comparable counterparts. Overload compensation is one of the few avenues open to redress this inequity. The faculty here are teaching longer hours without getting paid for them. The Association's comparability data indicated that 4 other colleges have a 30 credit hour threshold, 5 use 32 hours, 2 have no load language and 1 doesn't define what constitutes full-time. The cost of reducing the credit hour threshold from 31 to 30 hours is approximately \$18,000.00.

The **College** proposes that the credit hour threshold of 31 hours continue for the next contract. It points out that it agreed to reduce this number from 32 to 31 hours last year at a significant cost to the College. This year, in an effort to bring equity to the faculty it agreed to reduce the threshold for contact hours to 23 hours from the current 24, this at significant cost to the college (\$40,000.00). The College notes that the 50 minutes required by the Iowa Administrative code is a minimum and that the maximum is 60 minutes. Similarly, the 800 minutes per semester required for a credit hour is a mandated minimum which the College may exceed at its discretion. While the Association argues that the staff is working 110% of the state minimum, the College suggests that another way to state this is that they are working 91% of the state maximum. The College contends that there is no support for the Association suggestion that people are not getting paid for work performed. The Association offered no comparison data that instructors at other comparable institutions are working significantly less hours. There are significant costs in reducing the overload thresholds. Moving contact hours from 24 to 23 will cost nearly \$40,000.00. To move the credit hours from 31 to 30 would cost \$18,000.00. The College indicated that it paid \$263,858

in overload pay for the 2005-2006 contract most of it for credit hour overload. The College urges that the 31 credit hour threshold which it voluntarily agreed to in bargaining last year be retained.

HJP:mao

DISCUSSION- WAGES

Although not an issue this year, insurance has played a significant role in past bargaining. As argued by the Association, it appears that its members have agreed to accept lower salary increases in order to protect its insurance benefit. Last year the Association agreed to certain changes in insurance which resulted in higher costs to those individuals using the insurance, i.e. higher deductibles and co-insurance. The result was that insurance premiums have stabilized, in fact have gone down slightly. The data indicates that these employees rank from 9th to 10th among the community colleges. This year when insurance will not increase, it would appear that these employees are entitled to a larger salary increase. Both parties appear to recognize this as the College is offering a 5.1% adjustment and the Association seeks a 5.4% increase. Other colleges have settled salaries for an average of 5.1%(Association data) or 4.82%(College data). The difference in these numbers appears to be the Association's omission of Indian Hills and North Iowa, colleges which don't collectively bargain. The Association's 5.4% wage increase would result in a total package of 4.69%. This would be slightly under the average total package settlements in the other community colleges but higher than average wage adjustments. In light of the fact that there will be no increase in health insurance this year and in view of my award on the Work Week below, I am persuaded that the wage position of the Association is the most reasonable proposal before me. It is awarded.

DISCUSSION-WORK WEEK

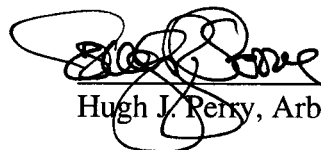
The College has not stonewalled the Association's efforts to address the overload issue. Quite the contrary, it has voluntarily agreed to reduce the number of Credit hours required to qualify for overload pay from 32 to 31 for the current contract and for the 2006-2007 contract it has agreed to reduce the number of contact hours which trigger overload pay from 24 to 23. Both of these changes reflect significant cost to the College. Unlike an across the board salary adjustment, the overload issue involves a substantive change in contract language. I am generally persuaded that such a change can best be made by the parties themselves. The bargaining history here demonstrates that the parties can mutually agree to such change. The data presented by the Association does not overwhelming support reducing the credit hour threshold from 31 to 30 hours. For all of these reasons, I consider the position of the College on Hours to be the most reasonable position before me. It is awarded.

AWARD

WAGES - The Association proposal, a 5.4% wage increase.

HOURS (Work Week) - The College proposal, Work Week language of 31 credit hours continue.

Signed this 11th day of November, 2006.



Hugh J. Perry, Arbitrator


CERTIFICATE OF SERVICE

I certify that on the 11th day of November, 2006, I served the foregoing Award of Arbitrator upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Bev Crumb-Gesme
Uniserve Director
700 Linden Street
Decorah, IA 52101

Michael J. Shubatt
Attorney At Law
151 West 8th Street Suite 200
Dubuque, IA 52001

I further certify that on the 11th day of November, I will submit this award for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12th Street Suite 1B, Des Moines, Iowa 50319.



Hugh J. Perry, Arbitrator